

AN ORDINANCE **101684**

**AUTHORIZING THE ADDITION OF AN INTERCONNECT WATER SERVICE RATE TO CITY CODE OF SAN ANTONIO, TEXAS CHAPTER 34, TO BE CHARGED BY THE SAN ANTONIO WATER SYSTEM; AND AMENDING THE CITY CODE ACCORDINGLY.**

\* \* \* \* \*

**WHEREAS**, Ordinance No. 75686, authorized and approved by the City Council of the City of San Antonio, Texas ("City Council") on April 30, 1992, requires that the San Antonio Water System Board of Trustees (the "Board") determine the rates, fees and charges for services rendered by the San Antonio Water System ("SAWS"); and

**WHEREAS**, the Board had determined that the rates and charges for water customers are in need of revision to establish a Water Service Interconnect Rate; and

**WHEREAS**, such revisions will require amendments and additions to certain sections of and accompanying schedules to Chapter 34 of the San Antonio City Code, which must be approved by the City Council of the City of San Antonio; and

**WHEREAS**, if authorized, the Water Service Interconnect Rate will provide a charge for unscheduled potable water delivered to water purveyors or entities that connect to SAWS system on a temporary or short-term basis; and

**WHEREAS**, connection to the system and the application of the proposed rate are intended only for the time needed by the customer to resolve or mitigate the situation that caused the customer to request a connection; and

**WHEREAS**, water purveyors and entities outside of the SAWS system have and will continue to request connections to the system to receive potable water services on a short-term, unscheduled basis and the purveyors then resell the water provided by SAWS to their customers; and

**WHEREAS**, supplying water under the Water Service Interconnect Rate is not intended to be an indefinite source of water to the customer and, therefore, the rate is structured to provide short term temporary water service, yet encourage long term water service agreements which will help SAWS and the benefiting water purveyor to work together at providing the necessary water supply for the community in need; and

**WHEREAS**, customers who connect to the SAWS system under the Water Service Interconnect Rate shall pay for all services related to connecting into the infrastructure of the system, including capital and operational costs; and

LB  
11/17/05  
Item# 3D

**WHEREAS**, in addition to providing short term relief and encouraging long term relationships, the proposed rate will ensure that the water purveyors purchasing water under this rate schedule will not profit when reselling the water to their own customers; and

**WHEREAS**, it is in the best interest of the City for the City Council to approve and adopt such rates and charges in order to continue to maintain its covenants and obligations;  
**NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The Water Service Interconnect Rate set forth in Attachment I to this Ordinance is authorized and approved.

**SECTION 2.** The rate shall be effective for all SAWS billings on and after January 1, 2006.

**SECTION 3.** The City Code shall be amended in accordance with Attachment I to this Ordinance.

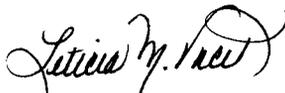
**SECTION 4.** This Ordinance shall be effective on and after the tenth day after passage.

**PASSED AND APPROVED** this 17<sup>th</sup> day of November, 2005.

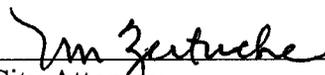


**M A Y O R**  
**PHIL HARDBERGER**

**ATTEST:**

  
City Clerk

**APPROVED AS TO FORM:**

  
for City Attorney

Attachment

I

## ATTACHMENT I

### AMENDMENTS TO CHAPTER 34 OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article II, Water Service and Rates, Section 34-122, Rate Schedules, is hereby amended by adding the language that is underlined (added) as set forth herein.

#### Article II. Water Service and Rates

##### Section 34-122.4. Water Service Interconnect Rate

###### Section 34-122.4.01 Definitions

For the purpose of this chapter the following terms, phrases, words, and their derivations shall have the meaning in this section.

*Customers.* The application of the water service interconnect rate shall apply to customers or entities that request to interconnect into the System to receive water services on a temporary basis that: a) do not have a current contract for wholesale water service with the System at the point of service that is included in the request; and b) plan to resell the water provided by the System to its own customers. The System shall have the discretion to determine whether or not a particular request for temporary water service qualifies as either a wholesale water service request or a request for temporary water service under this temporary interconnection rate. In making such a determination, the System may consider whether or not the requirements for service included in the request are within the System's long-term capabilities and consistent with the System's master plan.

*Water Rates of the System.* The water rates shall be herein defined as those water rates and charges in effect for residential customers as defined under Chapter 34 Article II and amended from time to time. The water rates shall include but not be limited to the Water Supply Fee, all applicable water rates, and Edwards Aquifer Authority Fees.

*Water Rates of the Customer.* The water rates shall be herein defined as those water rates and charges in effect for residential customers of the Customer at the time of the billing of the water service interconnect rate by the System. The water rates shall include but not be limited to all applicable water rates, surcharges, and charges for the procurement of existing or additional water sources.

###### Section 34-122.4.02 Application of Water Service Interconnect Rate

a) *Billing of Customer.* The System shall bill Customer in accordance with the provisions in Chapter 34, Article II.

b) *Systems' Right to Sell Water.* System has an obligation to serve its customers who are not under the water service interconnect rate. System shall have the right not to sell to Customer in any event that it deems necessary to preserve the capacity to serve customers who are not under the water service interconnect rate. When possible, System shall

notify Customer in advance that it will not be able serve Customer under the interconnect arrangement for a designated time period.

c) *Required Documentation.* Customer shall provide to System on a monthly basis its monthly forecast for the next twelve-month time period of water usage needs required of the interconnection infrastructure. The forecast documentation is necessary for System to determine its ability to service Customer under the water service interconnect rate.

Customer shall also provide to System on a monthly basis its current rate schedules then in effect for its residential customers, including all applicable charges and fees that would be charged to its residential customers for that month. If billing to Customer is not according to the applicable rate schedules then in effect at time of billing, System reserves the right to bill Customer on the applicable rates for all usage that was applied to the incorrect rate schedules.

d) *System's Ability to Provide Standby Services.* System recognizes that the interconnect services are necessary to provide services that are on a standby basis and the rate should incorporate a provision for the standby service.

e) *Payment for the Interconnection Infrastructure.* Customer shall pay for all services related to connecting into the infrastructure of the System, to include capital and operations costs. Customer shall pay for the pipeline costs in advance of receiving water services from System. In the event System must incur operations costs to service the interconnect infrastructure, System shall bill Customer the current costs of time and materials.

f) *Assignment of Water under Water Service Interconnect Rate.* Water service provided to Customer through the interconnect line is intended for the use of the Customer on a temporary or emergency basis. Customer shall not assign the provisions of the water service to other water purveyors.

#### Section 34-122.4.03 Water Service Interconnect Rate

The Water Service Interconnect Rate is hereby established and is applicable to the use of potable water.

Customer shall be charged on a monthly basis for the preceding monthly metered usage based on the following calculations:

a) *Rates.* Customer shall be charged the highest bill calculated based on the metered usage on the interconnect line of the Customer applied to the Water Rates of the System and the Water Rates of the Customer, and

b) *Standby Charge.* Customer shall be charged monthly for the ability of System to provide standby services at the System's meter fee rate on the interconnect meter. If water usage is metered for two consecutive months or for more than three months during a calendar year, then the System shall charge additional standby services of ten times the applicable meter fee rate or Monthly Service Availability Charge for each month of metered usage in the calendar year, and

c) *Time and Material Charges.* Customer shall be charged monthly for all time and material charges incurred to service the interconnect infrastructure. Such billing shall detail the reason for the charges in addition to the time and unit costs.